

April 5, 2006

Dear Mr. Gruenberg and the FDIC Board of Directors:

I am writing to ask that you oppose the formation of a bank by the Walmart corporation. I urge you and the rest of the board to please attend the hearing on this issue and to listen carefully to the concerns of the witnesses.

There are several reasons why Walmart should be barred from setting up a bank. First, as you may be aware, Walmart's business practices regarding its retail stores have been called into question in recent years. This company has demonstrated a serious lack of social responsibility. It has treated individual workers unfairly by limiting opportunities for some groups of people, such as women, by refusing to pay workers for actual clocked hours, and by its use of undocumented labor.

It is fairly well-known that Walmart also engages in less than savory business with manufacturers. In order to offer low prices, Walmart contracts with producers to buy products for less than market-value, an anti-competition move that hurts both suppliers and local retailers.

Similarly, Walmart has used its "moral" agenda as a basis for its stocking decisions. Because Walmart is the world's largest music retailer, it has and uses this power to censor music albums. Walmart forces artists to modify the content of their albums in order to sell them in Walmart stores.

Walmart also has a history of disrupting locales by moving into communities against the wishes of community members, by driving out competition and then closing stores, and by destroying the local environment and aesthetic quality of the neighborhoods in which it settles.

As Walmart has demonstrated its propensity to engage in less than ethical business practices, its lack of concern for people, and its distaste for fair competition, it seems unwise to allow this company to open a bank. It is likely that Walmart will extend its business model to the operation of this bank, with disastrous results.

Just as Walmart has driven out local retail competition, it is likely to drive out local bank competition. The result would be localized monopoly, giving Walmart complete control over the financial resources of communities. Capital may be displaced from the community as people are forced to look elsewhere for their financial needs. People lacking the option to look for financial services outside their communities will be at the mercy of Walmart. Furthermore, Walmart banks are likely to present an extremely dangerous concentration of financial power that stands to affect not only

the banking and retail industries, but other industries as well. In effect, Walmart has the potential to set the local and the national banking agenda.

Please bar Walmart's bid for banking. We need to keep banking an respectable and fair institution. This means preserving competition, respecting local communities, and fair labor and business practices. Walmart will contribute to none of these things.

Thank you for your consideration of my position.

Holli Kendall